

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SWF-01 AID-05 CEA-01 CIAE-00 COME-00

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STR-04 TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 AGR-10 L-02

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E.O. 11652: N/A

TAGS: EPAP, EEC

SUBJECT: EC GRAIN AID 1974/75

1. BEGIN SUMMARY: THE EC COMMISSION HAS PROPOSED TO THE COUNCIL COMMUNITY ACTIONS FOR THE 1974/75 EC FOOD GRAIN AID PROGRAM. THE COMMISSION PROPOSAL ALLOCATES THE FULL COMMUNITY SHARE OF 643,500 METRIC TONS, PREVIOUSLY APPROVED IN PRINCIPLE, BUT RECOMMENDS THAT THIS AMOUNT BE INCREASED TO 1 MISSION TONS. THE REMAINING 643,500 TONS TO COME FROM MEMBER STATE BILATERAL ACTIONS IS NOT ALLOCATED BECAUSE MEMBER STATES HAVE NOT YET TOLD THE COMMISSION WHICH AID REQUESTS THEY WILL HONOR. THE COMMISSION HAS AIMED THE COMMUNITY'S FOOD AID SHARE TO MOST NEEDY COUNTRIES PARTICULARLY THE SAHEL AND THE INDIAN SUBCONTINENT, AND HAS STIFFENED ITS CRITERIA FOR AID ELIGIBILITY. WE ARE FORWARDING THE FULL TEXT OF THE COMMISSION PROPOSAL BY AIRGRAM. END SUMMARY.

2. IN A COMMUNICATION TO THE COUNCIL OF NOVEMBER 27, 1974, THE EC COMMISSION SETS FORTH PROPOSALS FOR COMMUNITY ACTIONS UNDER THE EC FOOD GRAIN AID PROGRAM FOR 1974/75.

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3. THE COMMISSION RECOMMENDS THAT THE INDIAN SUBCONTINENT AND

THE SAHEL RECEIVE 81 PERCENT OF THE COMMUNITY FOOD GRAIN AID UNDER THE 1975 PROGRAM AS OPPOSED TO 72 PERCENT IN 1974. IT NOTES THAT EVEN CONCENTRATING THIS MUCH AID IN THESE PARTICULAR COUNTRIES WOULD NOT RESPOND FULLY TO THEIR NEEDS NOR TAKE INTO ACCOUNT THE GUIDELINES FOR SATISFYING SUCH NEEDS AS NOTED IN THE WORLD FOOD CONFERENCE.

4. THE COMMISSION'S PROPOSAL IS BASED ON THE FIRST READING BY THE COUNCIL OF THE DRAFT BUDGET WHICH SETS 1975 EC AID IN FOOD GRAINS AT 1,287,000 METRIC TONS, HALF OF WHICH TO COME FROM THE FULL COMMUNITY AND THE OTHER HALF FROM MEMBER STATE ACTIONS. THE EC IS COMMITTED TO SUPPLY THIS AMOUNT UNDER THE FOOD AID CONVENTION OF 1971 AS EXTENDED. THE COMMISSION URGES THAT THE FULL COMMUNITY SHARE OF GRAIN AID BE INCREASED FROM 643,000 TO 1,000,000 METRIC TONS FOR A TOTAL EC GRAIN AID OF 1,643,500 METRIC TONS. A FAVORABLE DECISION BY THE COUNCIL FOR SUCH AN INCREASE WOULD, ACCORDING TO THE COMMISSION, BE IN KEEPING WITH THE RESOLUTIONS OF THE WFC.

5. THE COMMISSION NOTES THAT REQUESTS FOR FOOD AID FROM 37 COUNTRIES AND ORGANIZATIONS HAVE BEEN RECEIVED BY THE COMMUNITY, TOTALING 2,370,000 METRIC TONS OF GRAIN. THIS REPRESENTS AN INCREASE OF 27 PERCENT BY COMPARISON TO THE QUANTITIES REQUESTED LAST YEAR (1,870,000 METRIC TONS). MOROCCO, URUGUAY, TURKEY, AND THE CNETRA AFRICAN REPUBLIC HAVE NOT YET MADE THEIR REQUESTS THIS YEAR. HOWEVER, THERE ARE SEVEN NEW COUNTRIES WHO ARE REQUESTING AID: INDIA, TANZANIA, KENYA, GAMBIA, HONDURAS, AFGHANISTAN, AND HAITI.

6. THE COMMISSION SETS FORTH ITS CRITERIA FOR MEETING FOOD AID REQUESTS (1) LARGE IMPORT NEEDS WHICH FOR VARIOUS REASONS, PRINCIPALLY BALANCE OF PAYMENT (BOP) DIFFICULTIES, CANNOT BE ENTIRELY MET BY COMMERCIAL SALES, (2) PER CAPITA INCOME OF LESS THAN \$300 PER YEAR AND (3) BOP CONSIDERATIONS WITH PARTICULAR ATTENTION TO COUNTRIES MOST SERIOUSLY AFFECTED BY RECENT INCREASES IN PRICES OF RAW MATERIAL TAKING INTO ACCOUNT OTHER AID RECEIVED. IN PRINCIPLE, COUNTRIES ELIGIBLE FOR EC FOOD AID MUST MEET THE ABOVE-CITED THREE CRITERIA. THE COMMISSION WILL CONSIDER IN CERTAIN SPECIAL CASES, COUNTRIES WHICH MEET THE FIRST CRITERION AND ONE OF THE TWO OTHERS (INCOME OR BALANCE OF PAYMENT CRITERIA). THE UNCLASSIFIED

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FIRST CRITERION IS A NECESSARY BUT NOT SUFFICIENT CONDITION FOR RECEIVING FOOD AID. MOST OF THE BENEFICIARY COUNTRIES MEET THESE THREE CRITERIA WHICH THE COMMISSION STATES ARE THE STIFFEST CONDITIONS EVER APPLIED BY THE COMMUNITY.

7. IN LINE WITH ITS STATED CRITERIA, FOR FOOD AID, THE COMMISSION PROPOSES THE FOLLOWING DISTRIBUTION FOR THE FULL COMMUNITY SHARE OF 643,500 METRIC TONS OF GRAIN.

COUNTRIES	1974/75 PROGRAM METRIC TONS
SAHEL, GAMBIA, ETHIOPIA	70,000
BURUNDI	2,500
DAHOMY	UNSPECIFIED
MAURITIUS	7,500
SOMALIA	10,000
SUDAN	5,000
TANZANIA	20,000
KENYA	5,000
CYPRUS	5,000
EGYPT	15,000
JORDAN	10,000
YEMEN	7,500
BANGLADESH	150,000
INDIA	150,000
PAKISTAN	25,000
SRI LANKA	25,000
AFGHANISTAN	UNSPECIFIED
PERU	7,500
HONDURAS	3,500
TOTAL COUNTRIES	513,500

ORGANIZATIONS	
WFP	40,000
UNICEF	10,000
UNRWA	20,000
RESERVE	65,000
GRAND TOTAL	643,500

8. THIS PROGRAM REDUCES THE NUMBER OF BENEFICIARY COUNTRIES FROM
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31 TO 26 AND THE NUMBER OF BENEFICIARY INSTITUTIONS FROM 4 TO 3
BY COMPARISON WITH THE 1973/74 PROGRAM.

9. THE COMMISSION ALSO INCLUDES A PROGRAM FOR A COUNCIL DECISION
ON COMMUNITY FINANCING FOR CERTAIN EXPENDITURES UNDER THE WORLD
FOOD PROGRAM AND OTHER INSTITUTIONS.MYERSON

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